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NSC BRIEFING

30 November 1954

**SUMMARY OF NIE 10-7-54: COMMUNIST
COURSES OF ACTION IN ASIA THROUGH 1957**

- I. Scope. Estimate analyzes considerations affecting post-Geneva Communist policy, and estimates main lines and specific aspects Communist, particularly Chinese Communist, courses of action
- II. General Considerations
 1. Net effect Geneva and subsequent developments

has been to advance the Communist position in Asia.
 2. Sino-Soviet Relationship. USSR has preponderant influence in partnership, but main outlines their Asian policy determined jointly by consultation. Chinese influence will grow. Effectiveness their alliance not likely be impaired by frictions between them

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3. Paramount factor in Communist determination policy in Asia will be their estimate of US actions and reactions

4. Economic Development.

- a. Current indications, despite serious delocation from this year's floods are that Chinese will achieve 5-Year Plan goal of doubling 1952 ^{modern industrial} ~~output of producers~~ ~~goods~~ sector of economy
- b. Agricultural difficulties plus population growth means squeeze but the outlook is that the average per capita caloric intake will only decline 1.5 percent. (1950 to 1955)
Chinese modern industrial sector growing as rapidly as India's and others

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- d. Foreign Trade: 73 percent with Soviet Bloc.

Maximum possible increase (in view of consumption requirements and dependance on agricultural^{for} exports) assuming all trade restrictions removed would be approximately \$200 to \$300 million. (CORA Contribution)

III. Present Policy. A variant of familiar hard-soft line.

- a. New element, evident since death of Stalin, is heightened effort^{in Asia} convince all of desire for "peaceful coexistence." In Asia, this desire in fact marked by desire:

- (1) Lessen dangers US military actions against mainland China
- (2) Dull vigilance of non-Communist Asia while continuing expansion by means short of war.

- b. Within above, are prepared maintain state of extreme tension with US and Nat. China.

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IV. Future Policy. Will continue to woo Asia,

while subverting it.

a. ^{They hope} Expectation this long-range ^{Asian} "peaceful
coexistence" policy will with minimum risk
result in:

- (1) Realization their present military and
economic objectives.
- (2) Eventual elimination US influence from
Asia.

A. De-emphasis on Open Aggression. Except

^{Elsewhere in Asia} ~~Offshore Is.~~ re Offshore Is. and Vietnam,
Communists probably not initiate new local
actions with identifiable Bloc forces.

B. Nat. China. Chinese Communists will continue
committed to "liberation" Nat. territories.

Thus this issue will continue present greatest
danger of war in Asia.

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- a. Toward Japan, emphasis on inducements to expand economic and diplomatic relations, in effort to weaken Japan's ties with West.
- b. Toward India, emphasis on at least superficial respect India's position in South and Southeast Asia, in effort at least preserve India's neutralism.

Communist
F. Indonesia. Their influence has grown considerably

since present gov't. took office July 1953.
Apparently direction is from China rather than USSR

- a. Will continue present policies expand influence thru "legal" means, while attempting increase their covert potential.
- b. Will probably avoid highly aggressive tactics lest these provoke domestic counteraction before their own strength great enough.
- c. However, present strengths and trends such that takeover by subversion or force possible during period estimate.

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- OMIT IF OTHER OFFERED CONF. AND
- a. Will probably not invade Taiwan so long as clearly evident US has means and determination defend.
 - b. Will continue probing against offshore islands and will probably attempt seize some of major ones. This almost certain if probes encounter no appreciable US counteraction. (G-2 dissents, believing Communist decisions rests less on considerations for US, and more on own total programs.

C. Indochina.

- Cam.
- a. Vietnam. Will exert every effort gain South thru means short of war.

(1) If South greatly strengthens, or if

July 1956 elections postponed, would

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step up subversive and guerrillas,
including infiltration VM troops from
North, but would probably not openly
invade, at least prior to July 1956.

(But likely to do so then)

? → b. Laos. Nature of aggressive action against
will be moderated by need for "peace" line,
particularly re India, and by possibility US
counteraction.

c. Cambodia. Will be determined by events
Vietnam and Laos.

d. Korea. Communist resumption hostilities
unlikely.

a. If attacked by ROK, would repel, but would
invade ROK only if they estimated would not
lead to war with US/UN forces.

e. Japan and India will become increasingly
Can
important targets for "coexistence" poli. line.